

If money were made available to give children supervised tuition at the reserves—I would call them villages—they would be able to attend to their homework. I consider this would be well worth while.

It is a matter of some concern to all of us, I am sure, to see young boys and girls leave school in good physique and with good prospects before them. But we find all too frequently, I am sorry to say, that they fall by the wayside. The girls are easy prey for those who use them for their own convenience and this, in turn, adds to our further responsibility in due course.

I do not know whether a provision was deleted from the Act which dealt with people who use Aboriginal girls for their own convenience in sexual activities. This kind of thing adds to our problems more and more. We certainly see it, if we cast our eyes around. It is something that has doubtless caused the authorities grave concern in the past and is causing them concern now.

Generally speaking, there is a genuine desire on the part of the public to assist Aborigines. I consider that people are ready to offer the hand of friendship and guidance, and, quite frequently, the younger Aborigines are prepared to accept it. This kind of progress must be followed through and it takes a long time; it is certainly not a matter of a short time. Children must be taken through their scholastic years and given every opportunity to be suitably employed.

Perhaps I have said sufficient to indicate to the Minister that I realise the problems with which he is confronted. I realise, too, that he is equally concerned, anxious, and sincere in his attitude towards the problems of the department that has been placed under his control. I trust that money will be forthcoming to enable him to do the many things which we, and we, think are so necessary for the better advancement and welfare of these people. It is not always easy to get them to realise and appreciate the standards of living which we appreciate and enjoy today.

The Hon. W. R. Withers: Hear, hear!

The Hon. J. M. THOMSON: Before I conclude I should like to refer to the question of standing committees. I also referred to this in the House last session. It is a disappointment to me that the Public Accounts Committee does not include a member of the Legislative Council. I am very pleased that the committee has been brought into being, as I think it is high time we had such a committee, and I am sure it will do a very worth-while job.

The Legislative Council cannot interfere—nor would we wish to interfere—with the rights and privileges of another place as far as money Bills are concerned. This is laid down clearly in the Constitution Act.

Nevertheless, we are called upon to consider these Bills and I feel that the Legislative Council should have been represented on the committee.

It may be argued that we have no right to expect to have a member on the committee, because of the provisions in the Constitution Act. I do not think for one moment that the committee will dictate to any Minister or Government what will or will not be done. Its function will be to investigate items associated with public accounts. I think this is most desirable and that investigations should be undertaken, particularly when I think of the size of some of the tenders for public works. As a result of this, it is most desirable that investigation, inspection, and consideration be given to how, when, and why the expenditure is necessary and how much should be expended.

Nevertheless, I hope that, ere long, recognition will be given to the Legislative Council whose responsibility it is finally to approve measures associated with accounts and expenditure which come from another place. It may not be a long time, but then again it may be, and if we speak long enough and loudly enough perhaps favourable consideration will be given to what I am suggesting.

The final matter with which I wish to deal is the pile of regulations and papers on the Table of the House which I see before me as I speak. In my opinion we could well afford to have—

The Hon. G. C. MacKinnon: A committee on subordinate legislation.

The Hon. J. M. THOMSON: —a committee on subordinate legislation to deal with such matters. What chance is there for members to go through all the regulations and either approve or disapprove of them?

The Hon. G. C. MacKinnon: How much more time would the members have who happen to be chosen to go on the committee?

The Hon. J. M. THOMSON: They would have just as much time to investigate this as the committee has that has been appointed to inquire into public accounts. When we appoint a group of people to do a thing, they do it because it becomes a responsibility; and it is a responsibility which we, as members of Parliament, I am sure would be pleased to accept. Mr. President, I support the motion.

**THE HON. D. J. WORDSWORTH** (South) [4.31 p.m.]: I rise to support the motion to adopt the Address-in-Reply, Mr. President. Firstly, I would like to thank you and the members of this House and the staff for the manner in which they have received me and made me welcome. I know that my time here will be

an enjoyable one and I hope I will be able to contribute and add to the deliberations of this House.

I realise that I have taken the place of a most respected member of the Council, the late Mr. Edward House. He was admired by all; whatever he did he did it well, whether it was in the field of sport, fighting for his country, or as a hard-working member of Parliament. I add my condolences to those of other members of this House to his wife and family.

I wish you well, Sir, in your position as President of the House, and also extend my good wishes to the Chairman of Committees, and to the other members who have taken on various duties.

May I congratulate the members who were elected at the last election, and I particularly congratulate the Leader of the House (Mr. Willesee) and the other members of the Cabinet. Without doubt their responsibility will be a great one, because the people of Western Australia have put their trust in them and their yardstick will undoubtedly be the record of previous Governments.

I am proud to represent the South Province, and in representing that province I will be representing Albany, the historic site of Western Australia's foundation. Alas, today, Albany is going through a most difficult period, probably the most difficult period in its history. Trade in many cases is down by almost one-third and unemployment is rife. At present the number of unemployed is over 400.

I see that Cabinet has formed a special committee to go into these matters to try to alleviate the conditions and to bring more development to the area. I hope the committee will be able to correct the situation, for it is a most serious one, and one that is vital to the people of Albany.

The other two electorates in the South Province are Stirling and Roe. Stirling contains the Shire of Albany which is partly the Town of Albany and partly in the country. It is an area of intensive farming—dairying and potatoes—and it also has newland farming to the east. There is the Shire of Plantagenet, the centre of which is Mt. Barker, famous for its apples. It also has soldier settlement schemes in Rocky Gully and newland farming in and around the Porongorups. To the north we have the shires of Tambellup and Cranbrook, both famous for their wool.

The electorate of Roe is a vast one extending from Gnowangerup to Esperance north to Dumbleyung, Nyabing-Pingrup and Lake Grace. These shires are famous for their wheat. The electorate even contains some mining in the Shire of Ravensthorpe, but here we see a change for it is now mainly concerned with agriculture.

I give this outline because I feel that wool is the mainstay of the South Province, and it is on this subject I would like to speak today. Not only am I a wool grower but I have also made a study of sheep—sheep being the key to the development of the area. Wool affects Albany because Albany is the wool-selling centre and shipping port, and the sheep is the tool of the new-land farmer, and an integral part of the farming in the drier areas.

I think I would have in my electorate the greater percentage of the newland farmers in the State, whether they be those soldier settlers such as those at Jerramungup; those on conditional purchase wheat holdings at Newdegate or those on the lush sheep holdings at Esperance and Many Peaks. These people, as pioneers, were the joy and pride of Western Australia.

Those were the days when we were opening up 1,000,000 acres of land a year and we were the State on the go. But 1971 finds that circumstances have changed. We seem to have a rural recession on our hands and everybody is trying to forge these pioneers, but I intend to fight in this House to overcome some of their difficulties and, I assure you, Sir, that they have many.

Firstly, I would like to quote from a report of the Western Australian Department of Agriculture, Attachment D to *The Immediate and Longer Term Needs for Debt Reconstruction and Farm Adjustment with Special Reference to the Sheep Industry*, Bureau of Agricultural Economics (February 1971). This concerns my area very much and I will read the exact words from page 71 as follows:—

Analysis of those solely dependent on their new farm (Group 1) shows that 59 per cent. are in a hopeless financial position. There is no way of determining just how long these people will 'hang on'. It will probably be another year or so before the majority of them realise the inevitability of their failure. Most of the remaining newland farmers in this group are in a doubtful position.

Now this is rather staggering, and I will quote further as follows:—

The projections do not directly allow for the possible entry of Britain and other countries into the EEC; it is assumed that negotiations will be protracted and, if successful, will be followed by a substantial transitional period extending beyond the five years covered by this study.

We already know that these conditions have changed, and I will quote from page 2 of the same survey. This reads—

Short, and not only long, term factors have, of course, influenced the figures for 1969-1970; but the influence

of short term factors would not be all that important for the following reasons;

- (i) the wool price last year (38 cents per lb), although well above present levels (30 cents), was not greatly below the long term likely trend price of about 40 cents;

So the interesting thing is that that survey was made on the assumption that we would be working on 40c per lb. This is rather frightening to realise.

I feel the farmer is in difficulties because of many factors, the first of which is the wheat quotas. As members know, throughout Australia the quotas are based on past history, and Western Australia got its allocation on its production over many years. Unfortunately this was rather unfair to Western Australia because we have so many newland farmers coming on. When it came to allocating quotas to farmers within the State, newland farmers had great difficulty in getting any quotas at all, because how could they provide a history? Fortunately this matter is now being corrected, but not before great financial harm was done to these growers.

The other important thing is drought. Many of these areas opened up recently were marginal, particularly in regard to climatic conditions, and while one can farm in these marginal areas if one can put something aside for a bad year, it is particularly difficult when there is very little profit in the farming. Low wool prices, of course, are an obvious cause of this state of affairs but I hope to deal with that aspect in a moment, and also the problem of rising costs.

The next cause is undoubtedly the poor stock prices. Many farmers are engaged in the production of fat lambs and even if they are not, the poor prices for old ewes and wethers have affected them greatly. As wool prices drop, as members can appreciate, so meat becomes important in the farmer's budget. There has been considerable talk about statutory marketing, and as good as that is in theory, I feel it will be useless without adequate abattoirs. We have seen the Midland Junction Abattoir expanded, but I feel this could only be considered little better than a stop-gap policy and I hope that we will see the Government support new abattoirs at Katanning, Mundijong and Kwinana, and I would hope it would explore other avenues to establish new abattoirs in the State. I recommend to the Government that it put abattoirs as the No. 1 priority in its effort to halt this agricultural recess.

There are undoubtedly very good prices for meat overseas but, needless to say, we have to kill the sheep before we get them there. It has become a State responsibility not only to build abattoirs, but, having built them, to keep them running to capacity. I refer now to the nine weeks'

strike that we had during our peak period last year. I hope that this Government will be able to alleviate such catastrophes as that, because during that time stockholders were asked to hold back their stock. I feel it is a little bit like holding back the waters; Moses was successful—but only for about two hours.

May I refer to what happened to people in Esperance during that period last year. They had lambs fit to kill at an export value of some 13c a pound. They were not able to send them away so they had to carry them through and refatten them in June and July. They started the market at 16c a pound. Then, of course, the glut hit the market with the result that all the sheep that should have been sent overseas in November, instead of being lambs at 16c a pound, were then mutton at 3c to 4c a pound. This represents about \$3 loss per lamb, far more than the total value of the wool that the mother produced.

Not only are the farmers in financial difficulties through this, but the farmers now find they have last year's lambs on their properties as well as this year's lambs. I see from the paper of a few days ago that we are again being asked to hold back stock. It is quite obvious that the farmers cannot. There just simply is not enough feed to keep the stock on the farms, apart altogether from the financial effect on the farmers of not receiving any money. I hope this incoming Government will put abattoirs at the head of its needs, for I feel this is also the key to rural reconstruction and job training.

I do not wish to enlarge at this stage on rural reconstruction because undoubtedly there will, in the near future, be a Bill before the House dealing with this question but it is obvious that we cannot reconstruct if we cannot diversify. The wool farmers may wish to change to cattle but they cannot get rid of their sheep. The sheep form part of the current structure of every property and have probably been bought on a stock account with one of the stock firms and still represent quite a considerable debt. But at present, at 2c or 3c a pound, they are not even making the price of pet food.

The same applies to those who wish to leave the land; and I ask you, Sir, how can you expect people to be able to leave the land if they cannot sell their stock and they cannot sell their farms?

I think it will be found that most farmers are responsible people and they cannot just walk away from their properties. I suggest that the Government should make a study of this problem so that farmers would be enabled to leave their farms with a certain amount of dignity and integrity. I refer once again to what was pointed out in the report that I quoted; namely, that 59 per cent. of farmers have been recommended to leave their farms and obtain

other employment. There should be a more honourable way of achieving this, other than by allowing the farmers to become bankrupt, because I feel that, in many cases, it is no fault of their own.

Undoubtedly many of their creditors will have to write off some of their debts and loans. I have looked at some annual reports that have been released by finance companies and from them it does not appear that the existing position of farmers has affected them very much. I am shocked at the quantity of repossessed plant and machinery that has been sold at a profit.

At this stage I would also like to refer to probate. I think that most people consider that probate is an unjust tax but, today, it is considered even more so by the farmer. In the past, one of the advantages of probate was that it broke up the larger properties, but I can hardly believe this is the need today when we are trying to reconstruct many farms.

At present the major difficulty is that when a farmer dies his property is valued at the time of his death. Previously, when the farm did not have to be sold at the time of death, there was a reasonable chance of its rising in value, but today the values of farming properties are falling rapidly and the percentage of the sale price of farms going to probate is rising, because farmers are unable to sell their farms.

Already it has been noticed that the values of farms are down by about one-third, and inquiries made at stock firms will disclose that about half the farms in many of the shires in my electorate are for sale, but with very little hope of obtaining buyers. So I suggest the Government should give consideration to reducing probate tax, particularly as it applies to rural land.

I would like to say a little more on wool prices, because there is a certain amount of controversy today about the guaranteed price of 36c a pound by the Commonwealth Government. I think most people realise that Australia has become a country with a very high standard of living—it is amongst the highest in the world—as a result of the export of primary products. It is rather amazing that this affluence has come about, because I do not think there is another country, bar New Zealand, that has managed to attain the standard of living we enjoy in Australia as a result of being a primary-producing country.

Fortunately, in Australia, we have minerals which are taking a place of greater importance in our exports. There is the problem, of course, of capital repayments and interest which, at this time, reduces the significance of the value minerals are adding to our economy. Fortunately, manufactured goods are increasing the volume of our exports and it is now seen that they equal wool in value. Many manufacturers are sheltering under antiquated

tariff laws which were introduced in the 1920s and 1930s, and because we export such a small percentage of our total manufactures, I feel that local consumption is subsidising these exports. We actually export 18 per cent. of our total manufactures.

Also, to help with the export of manufactured goods, a payroll rebate is passed on to manufacturers. I point this out, because I feel that Australia cannot do without a wool industry in the foreseeable future. Not only is it important in view of what we can get for wool in its own right, but also because of the fact it is part of the agricultural industry as a whole. Most farms are in some way dependent upon sheep, and agriculture still brings in half the value of Australia's exports.

I will not enter into the controversy over the future of wool as against synthetics. Again, another question that often arises is: Why do not farmers move out of wool? In answer to this I would point out that it is very difficult for the woolgrower to judge for himself what the future holds for him. He has built up a terrific sales organisation in the Wool Board and the woolmark is one of the few symbols that is known around the world. Few have reached such widespread international recognition, but having built up this large sales organisation, how does the producer get a clear picture of his future?

All of his information is promotion orientated. He cannot expect his salesmen to give him a conservative market forecast, because after all, any salesman has to be over-enthusiastic; that is his job. However, it does make it difficult for the woolgrower to determine his future policy and in this regard he relies very much upon the Government for guidance. We see from this that the Bureau of Agricultural Economics does issue a long-term forecast of 40c a lb. for wool. I feel that if the Government has any faith in its own departments, it would not be risking a great deal of the taxpayers' money in guaranteeing 36c a lb. for wool. Undoubtedly great changes are being brought about in the industry. The traditional auction system of selling wool is giving way to acquisition, and in times of a recession—as there is today—in the textile industries, some stocks have to be removed from the market and the Australian Wool Commission is undoubtedly performing an excellent job in this regard.

We will see changes in the presentation of the sale of wool. Wool measurement and testing is now being scientifically carried out and we are not altogether dependent on visual judgment as we have been in the past.

I would like to point out that the use of wool is a craft. Softness and wool handling is important, and as only 8 per cent. of the world's fibre market is wool, there is a fear that too much change could unbalance this delicate percentage. However, there are

one or two major changes that obviously must be made, particularly in the field of transport. At this point I would like to quote from the Annual Report of the Director-General of Transport for the year ended the 30th June, 1971. I must also congratulate Mr. Knox for the excellent way he has presented this report. On page 18 he speaks of the export of primary produce to Europe. He brings up the matter that has been under discussion before; namely, the Europe Shipping Conference which intends to terminate its current shipping contracts.

Last year, as members know, and as Mr. Knox has said in his report—

... a general 7 per cent. rise was applied. The Europe Shipping Conference is now seeking not less than a 20 per cent., and possibly as much as a 35 per cent. rise. If a 20 per cent. rise is applied to wool, the growers' net-back might be expected to fall by some \$2.56 per bale.

This represents about 1c a lb. The Director-General of Transport, in his report, goes on to say—

But it is also known that single shipping lines and individually negotiated charters operating outside the Conference are ready and willing to offer freight rates substantially lower than those prevailing within the Conference now—as much as 20% lower.

This is rather a staggering amount to ask the woolgrower to carry when we realise that those two factors represent to the woolgrower a cost of 2c to 3c. Mr. Knox went on to say that containerisation needs wool but wool does not need containerisation.

I have quoted from that report because I feel other factors enter into the question of why the producer feels the Commonwealth Government should help to subsidise the wool industry. I hope that Ministers, in their approach to solving Albany's problems, will also look very closely at this report, because the Director-General of Transport also goes on to say that the conference line averages its costs over all the Australian ports. Obviously, this is to the disadvantage of Albany and to those growers of wool around Albany. When freight charges for wool are negotiated, it is obvious that Albany is averaged out with Queensland. Of course, the unfortunate part is that container ships do not use Albany and wool is being railed back to Fremantle to be containerised.

I hope the Government will recognise the need to use road transport for the cartage of wool to Albany and permit loads of 5,000 bales to be prepared for shipment at this port. If this is done it should result in a considerable saving to the woolgrowers; firstly, in the difference between the charges of the two shipping lines—the conference line and the charter line—and,

secondly, the difference between the Australian average price and the "line of voyage" price, because Albany is in direct line with Europe, whereas Fremantle, particularly, is not even on that line of voyage, and the ships have to be diverted in order to call at Fremantle.

In addition to this, of course, there is an obvious saving to the farmers if they can cart their wool in their own trucks instead of loading the bales onto rail and having somebody else employed to take the wool off rail at the other end. Needless to say this would ensure Albany being retained as a wool-selling centre. At present its future in this regard is very doubtful, because now only 175,000 bales of wool a year are being handled by the Albany wool store, and it is obvious that about 300,000 bales are required to enjoy any economy of scale.

I also point to the impending wage increases. I think members appreciate that a 10 per cent. wage increase is coming up. As wages represent one-third of the cost of wool production, 10c to 13c in the price of wool represents the cost of labour. If 10 per cent. is added to this figure, needless to say it represents at least another 1c rise in the cost of wool production. Then, of course, there are other inputs in regard to wool production which will rise with an increase in wages, such as the cost of superphosphate and machinery. I have pointed this out only to show that the guaranteed price by the Commonwealth Government will, unfortunately, dissipate with the rise in costs.

We have heard that Britain's entry into the European Common Market will not have a very great effect on Western Australia; not only do the orchardists but also the woolgrowers in my electorate find this hard to believe. There are two reasons for saying this.

Firstly, when one reads the answer to a question asked in this House on this matter one sees that Western Australia exports a great quantity of lamb to Britain, and we are very dependent upon this market, for it is peculiar to Western Australia that the State can get its lamb into Britain before any other State of Australia or New Zealand. Undoubtedly, the effect of Britain's entry into the Common Market will be great, for there is already a 2c duty on our lamb to enter that market and it is expected the duty will rise to 20 per cent.

The other reason why I queried the assertion that Britain's entry into the Common Market will not affect us is the result that it will have on prices when Britain loses its Empire preference, and this means a reduction in import duty from that country. What will happen to the price of goods which we import from that country? Do the prices go up or do

the tariffs come down? I think that most people will agree that the prices are more likely to rise.

I have endeavoured to outline the problems of my electors. I know there are many facets which perhaps I should have dealt with; but undoubtedly the opportunity to do so will come later in the session when the various Bills are debated.

There are two points which my electors wish me to make, but I do not know whether it is the practice to do that in one's maiden speech. Firstly, I refer to the attitude of the Government on the standardisation of the railway line between Kambalda and Esperance. The people of Esperance were staggered when the Premier refused the offer of a loan from the Western Mining Corporation to carry out this undertaking. We feel that standardisation of the line is essential to our district and to the port. Without it we will fall 20 years behind.

By tradition Esperance has always been the port to serve the goldfields, but without standardisation of the railway line Kwinana will ultimately get most of the traffic. I feel that unless this line is standardised the word "decentralisation" will be meaningless. This is where the Government has a great chance to show its intentions.

I note that the Labor representative of Albany in the Legislative Assembly was reported in *The West Australian* as having said that he was astounded at the interest that members of the present Opposition were showing in Albany. May I answer that by saying that while I am a member of this Parliament I will ensure that the party to which I belong will be looking after the interests of Albany. I support the motion.

**THE HON. V. J. FERRY** (South-West) [5.04 p.m.]: In taking this opportunity to support the motion I would like to express my regret at the passing of a number of members and former members of this House in recent times. I feel it is sad that we have lost so many in such a short period. May I add my condolences and very respectful sympathy to the loved ones they left behind.

I should also like to congratulate and welcome, in my personal way, the new members of this House. I trust that their experience here will be a rewarding one, and I am looking forward to hearing more from them as we undoubtedly will in the period ahead.

I take this opportunity to register my disappointment with the protracted delay of the Western Australian timber interests, supported by the Government, in establishing a wood chip industry in the south-west of this State. In saying that I do not reflect in any way upon those who are

endeavouring to negotiate on behalf of Western Australia with the Japanese interests.

I would like to refer to what has actually happened in respect of wood chips in other parts of Australia. Firstly, I refer to a statement made by the Commonwealth Minister for National Development (Mr. Swartz) on the 5th October, 1970, when he said that he had approved of a contract for the export of nearly 7,000,000 tons of wood chips from Northern Tasmania. This is destined for Japan. The contract is between an Australian company, Associated Pulp and Paper Mills Ltd., and two Japanese importers—Mitsubishi Shoji Kaisha Ltd. and Sumitomo Shoji Kaisha Ltd. I understand that the wood chips will be supplied at the rate of 600,000 tons green weight per year for about 11 years, beginning in October, 1972.

This project will be based at Bell Bay in Tasmania. The raw materials for it will come from timber cut from Tasmanian forest lands, or, more correctly, from Crown forests in Tasmania; and also from sawmill waste and private forest concerns. I think it is very important that we realise this wood chip industry is capable of taking advantage of what have hitherto been known as forest waste products. There has been an enormous waste of wealth in the handling of timber in days gone by.

This particular project is in a most fortunate position, because we find the firm of Associated Pulp and Paper Mills Ltd. can now go ahead with its wood chip operation, for the future development of a very significant industry. This is based on the natural resources of northern Tasmania.

The company has already agreed with the Tasmanian Government to bring forward by four years, from 1982 to 1978, the commencement of a 500 tons a day pulp mill near Devonport. So, this will be of tremendous advantage to Tasmania.

I could also mention that Mr. Swartz is reported to have stated on the 29th November, 1970, that he had approved of another contract for the export to Japan of approximately 9,000,000 tons of wood chips, again from northern Tasmania. This time the contract is between an Australian company, Northern Woodchips Pty. Ltd., and Yamamoto Sangyo Co. Ltd. of Japan. This all-Australian company is to supply chips at the rate of 700,000 tons a year for 15 years, beginning in January, 1972.

One of the interesting conditions under which this company will operate is that the agreement contains a special condition of approval. The company will be obliged to undertake to commence within five years a reforestation programme of not less than 5,000 acres a year, and to maintain that rate thereafter. That is a fairly substantial rate of reforestation.